

Tony Carey, Trustee  
Gerry Pfirsch, Trustee  
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## Utility Billing Ordinance Change

Under the direction of the Town Administrator, a task force was formed to provide additional analysis and to assess the overall efficiency and effectiveness of the water shut-off policy and procedures. The

task force included the Departments/Divisions upon which the policy and procedures impact their operation directly including the Public Works Department, Records and Elections Division, Finance Division, and the Town Attorney. The task force presented information, at the February 23, 2010 Board Meeting, about the history and effectiveness of the Town's water shut off policy.

Attachment (b) "Water Shut off Analysis" provides information that was presented at the February 23, 2010 Board meeting that includes the average amount of customers that have been shut off; over a 26 month period, of 55 customers per month (which equates to approximately 1.7% of total customer accounts serviced by the Town in aggregate); the effectiveness of the late and shut off notices that are currently sent out (attachments (c) and (d)), the Town sends out approximately 250 to 300 shut off notices per month (attachment d) and ends up shutting off approximately 55 customers per month which has yielded a 78% success rating of customers receiving the shut off notice and paying their bill within the time frame allotted before termination of the water service; and finally a detailed summary of the internal utility billing schedule.

In presenting the general information, analysis, and history of the water shut off policy, this allowed for the Board and staff to come up with four alternatives and areas to potentially modify the water shut off policy and procedures. These alternatives included creating an additional "door hanger" notice to customers that have a past due amount of thirty (30) days or more, providing the Town Administrator with discretion to turn on water if situations warrants, including an additional emergency turn on fee, and restoring water service if the delinquent bill is paid the same day.

#### **Legal/Political Considerations:**

In aggregate, delinquent utility accounts, for utility services provided by the Town, account for approximately 1.7% of total customer accounts serviced by the Town. As this number indicates, the most effective tool for collection of delinquent water accounts is the Town's authority to discontinue water service for nonpayment of utility bills. The other legal remedy the Town currently practices is provided in the *Municipal Code Section 13-76* to serve liens on the water using properties with the County. The liens are served for a balance that is ninety (90) days past due from the billing date. Liens are applied only once a year and the money isn't typically collected until the following year after the liens have been applied.

#### **Alternatives/Options:**

As discussed at the February 23, 2010 Board Meeting, staff presented four viable options, along with the pros and cons of implementing each option, to the Board. The four alternatives/options included creating a temporary staff position to create and implement door hanger notices, in addition to the late and shut off notice that are sent out for customers that have an outstanding balance of thirty (30) days or more, providing the Town Administrator with discretion to turn on water if the situation warrants, including an emergency fee to have water turned on the same day (this is in addition to the water restoration fee of \$25 for each additional occurrence per the *Municipal Code Section 13-75 (b)*), and restoring water service if the delinquent bill is paid the same day. The task force evaluated and analyzed each of these options and their efficiency in relation to the Town's resources and ability to carry out the alternatives/options, from a customer service perspective, and the internal operational process.

While each of the four alternatives, discussed at the February 23<sup>rd</sup> Board Meeting, all present viable solutions to improving the efficiency and effectiveness of the policy and process, it is recommended by

the task force to adopt the final alternative/option of restoring water service no later than the next business day, if the past due amount is paid along with service restoration charges. It is anticipated that if this alternative/option is implemented it will create more efficiency and effectiveness in the process by allowing staff the flexibility to turn water on no later than the next business day, if Town resources are available. Further, it will provide citizens with a more customer service minded response when their water service will be restored.

#### **Financial Considerations:**

The financial impact of providing an additional "door hanger" notice to customer accounts that are thirty (30) days past due are minimal including staff time to prepare the door hangers and the cost of staff to deliver the door hangers. The cost for this additional service includes staff time and materials and would cost approximately \$600 to \$1,000 per month. However, this alternative/option was not recommended due to the overall effectiveness of the late notice and shut off notice of 78% of citizens responding to these notices.

#### **Staff Recommendation:**

Currently, the *Municipal Code Section 13-74 (d)* reads "Water will not be restored until the day after all charges for the past due amount are paid, including the restoration charge." Staff recommends changing the *Municipal Code Section 13-74 (d)* to read "if payment of past due amounts, along with service restoration charges, are received in full by noon on a regular business day, water service will be restored no later than the next business day."